

**Cuban Civil Society Support Program  
(CCSSP)**

Contract Number DOT-I-00-03-00009-00  
Task Order No. 4

**Monthly Report**

**June 2010**

*Submitted July 6, 2010*

## 1. Country Situation Update

### *EU postpones review of the common position towards Cuba.*

- Despite Spain's efforts to soften the EU common policy towards Cuba, Foreign Ministers of the European Union agreed to postpone a review of this policy until September. A lack of sufficient gestures by the Cuban government on political prisoners and human rights issues, as well as, the refusal of several European partners to relax the current framework of bilateral relations are the main obstacles for ending the common position. The Common Position of 1996 conditions a dialogue with Cuba to advancements in human rights. If relaxed, Cuba would be able to engage economically with members interested in a more open relation and would not be conditioned to the will of the union. U.S. Representative, Mario Diaz-Balart from Florida criticized Spanish Foreign Minister Miguel Angel Moratinos for insisting on changing the EU's common position towards Cuba.

### *USA-Cuba Issues*

- *Gulf Oil Spill threatens Cuba.* The U.S. government authorized a group of executives from an oil drilling company to travel to Cuba with the purpose of cooperating on security issues and practices in the aftermath of the oil spill in the Gulf of Mexico. Cuba's civil defense chief said that authorities are preparing coastal residents for the oil spill and a top military official said its possible arrival would be "a disaster." So far there is no apparent impact on tourism to the island's north coast beaches.
- *Wives of the five seek visas.* A group of organizations in New York asked U.S. President Barack Obama to authorize humanitarian visas to the wives of two of the five agents of Havana serving sentences for espionage in the United States. According to activists, U.S. officials have denied visas to the two women claiming that both "are a threat to America." Cuban Parliament President, Ricardo Alarcon, said that Cuba cannot believe the promises of change announced by the U.S. President until the U.S. authorities release the group known as the 'five'.
- *Immigration and detained contractor.* US and Cuba are engaging in immigration talks. U.S. diplomats in Havana have warned that they expect little success in this dialogue because the ties between Washington and Havana are stalled due to the arrest of \_\_\_\_\_ The United States reiterated its petition for the release of Mr. Gross on humanitarian grounds. While Havana has not yet filed formal charges, they stated they would provide him with a just defense.
- *Cuba on the list of human trafficking countries.* Cuba considered "disrespectful" and "false," U.S. allegations that include Cuba in a list of countries that smuggle people. According to a U.S. report, Cuba is on the blacklist since 2003 along with 13 countries that are not fighting human trafficking. Cuba's government routinely denies these reports and claims that the United States distorts the facts to justify the 1962 embargo.

### *Government Structures*

- *Military training and engagement.* Cuban President Raul Castro opted to increase the defensive capacity of the island not only to confront possible acts of war, but also to tackle natural disasters that could affect the nation. Additionally, Cuba now sends troops to Venezuela to train their military and computer experts to work on passport and identification-card systems. Some critics fear that what is portrayed as a common bond to counter U.S. influence in the region may be growing into a more far-reaching and proactive plan against U.S. policies.

### *The Economy*

- *Poor investment indicators:* Cuba received a poor rating as a country suitable for investment by the Political Risk Map elaborated by the British corporation AON, which offers research services about risk



for investors. The rating is based on a scale of six types of risks and indicators such as money transfers and convertibility, probability of strikes, riots, civil commotion, war and terrorism, debt defaults, political interference, interruptions in the supply chain, and legal and regulatory risks. In a country faced with increasing economic problems and lack of liquidity this news can worsen the situation.

- *Foreign property ownership.* In an effort to stimulate foreign investment, Cuba has announced it will allow foreigners to buy and sell properties in Cuba, opening the floodgates for residential and business construction. People close to the Cuban government expect new real estate regulations permitting foreigners to buy and sell properties to be published in the Gaceta Oficial soon, possibly before the end of June. Cubans currently are not allowed private property ownership with a few exceptions. Analysts suggest this privatization could potentially deepen Cubans' discontent with the regime.
- *Workforce relocation.* Following President Castro's announcement in April that companies and government agencies are overstaffed, the government began relocating workers into different jobs. Those who did not accept these new locations were sent to the Ministry of Labor and Social Security to seek other relocation opportunities. Overstaffing represents between 20 and 25% of the country's workforce. The elimination of jobs in the public health sector has affected thousands of nursing assistants who supported the work in polyclinics and family doctors clinics.
- *Drop in trade deficit.* According to a report from the National Office of Statistics in Cuba, the country was able to reduce its commercial deficit in 2009, despite the decrease in international exchange suffered during the same period. Exports represented 3.1 billion dollars and imports 9.6 billion dollars, for a total volume exchange of 12.7 billion dollars. The total drop in trade was 34% compared to 2008. The report informed that in 2009 the trade deficit was 6.5 billion dollars, 57% less than the 11.4 billion in 2008.
- *More tourists, less revenue.* Cuba welcomed more than 1 million tourists in the first four months of the year, a record according to the government. The figure is an increase of 1.1 percent over the number of tourists who came to Cuba during the same period in 2009. However, tourism revenues remained largely at the same levels, which may be caused by decreased consumption by tourists and decreased prices of tourism packages.

### ***The Involvement of the Catholic Church and Dissident Groups***

- President Raul Castro's talks with the Catholic Church about political prisoners and a recent visit by the Secretary of Foreign Relations of the Vatican, Monsignor Dominique Mamberti, have sparked hopes, skepticism and assertions that he's taking a risk by recognizing the Church as a mediator in Cuban affairs. The meetings with Cardinal Jaime Ortega were the first time that the Communist government has negotiated with an independent organization like the Church. As a result of these negotiations, six political prisoners were relocated to jails in their provinces and another to a psychiatric hospital for medical care. Additionally, Cuba freed Ariel Sigler Amaya, a political prisoner and one of 75 activists, community organizers and journalists arrested in a sweeping 2003 crackdown. Sigler's release was a key sign that the government may be softening its hard-line stance on organized dissent. On the other hand, Cuban dissident, Guillermo Fariñas reached 100 days on hunger strike and thirst. Fariñas said he is skeptical but willing to abandon his fasting if there is substantial progress by the Cuban government. Others like Oswaldo Paya, coordinator of Cuba's Christian Liberation Movement, have criticized the Church and others for not including dissidents in conversations with the government.

### ***Society***

- *Fiber Optic Project.* A Chinese explorer vessel docked at the port of Santiago de Cuba to do a survey for the route of the submarine fiber optic cable in 2011. The project has the purpose to increase the speed of the internet in the island. The cable will be owned by Cuban-Venezuelan Telecommunications Greater Caribbean, it has a length of 1.630 km, a capacity of 640 gigabytes, and will cost about \$70 million. Although it represents better quality and increased availability of internet services, it is still highly questionable whether it will translate into increased access for Cuban citizens.



- *Food and Water Scarcity.* A group of workers at the port of Havana refused to load a ship with foods, including rice, which would be sent to Haiti. Workers, families and neighbors considered outrageous that food be sent to another nation, given the scarcity faced by Cubans. The situation faced by the general population is such that the government began implementing a "redistribution" of drinking water in parts of Havana, because of the severe drought affecting the country for more than a year.

### Comments

Castro's government continues to face insurmountable domestic problems. From growing problems of low productivity in all sectors of the Cuban economy, the need to reduce overstaffing by close to 1 million workers (a process that is already underway), scarcity of foods, water and electricity; now they must face the renewed attention of the international media on the fate of political prisoners in the island. The acts of Orlando Zapata, the Damas de Blanco and more recently Guillermo Fariñas have caused a great deal of internal and external pressures on the Cuban government, which decided to ameliorate public opinion by engaging in a series of conversations with the Catholic Church.

In a maneuver that some see as a sign the government is changing its hard stance and showing hope for improvements in human rights, others, particularly members of the opposition are more skeptical. The opposition believes it represents a strategy of the government to gain time, avoid meeting with the opposition, divert the international media's attention and allow business to continue as it has for the last 51 years. A glance to the past when similar actions occurred and the attention was on Cuba, such as: the visit of the Pope, international leaders and US senators, reveals it is reasonable to assume that these concessions are a political move to avoid any significant change in the island. Something that must be recognized is that for the first time, the Cuban government accepted to have conversations with a non-governmental national organization, which resulted in the transfer of a few political prisoners to prisons near their communities and the release of 2 prisoners. Although the opposition feels that this is not enough, there is some level of satisfaction among groups such as the Damas de Blanco, who were able to carry out their Sunday marches without any acts of repression since the conversations started.

The visit of the Minister of Foreign Relations of the Vatican, Dominique Mamberti, increased expectations for more concessions. It seems the Church is trying to get more autonomy, freedom and legitimization from the government in order to reach a more influential position within Cuban society and conduct their independent educational programs.

Despite pressure from US groups with strong interests in removing travel restrictions to the island (including prominent members of the opposition in the island) and eliminating the embargo, it seems a normalization of relations with the US will not occur in the near future. Meetings between both countries are taking place at this time to discuss primarily immigration issues, but the matter of \_\_\_\_\_ is still on the table and continues to hinder any step forward.

## 2. Programmatic Highlights and Major Activities

### Key Programmatic Accomplishments

- **Grant Cluster 1.1-** *This cluster of grants targets a vibrant and promising sector with a potential for social action. The activities within this cluster have empowered leaders identified through our program to learn technical skills and create high quality products. Furthermore, with the experience gained from the first five grants, the CCSSP is working on focusing technical assistance, replicating success with other groups and focusing current projects. This cluster has resulted in an independent network developed by local beneficiaries and a cadre of local trainers. By taking advantage of existing social networks and affinities, this cluster seeks to solidify and strengthen these networks and move them towards pursuing common goals.*



- [SJO029]: Training in organizational development in a third country was delayed due to visa requirements and the grant was amended to account for the delay. The activity is scheduled for the end of July.
- [SJO039]: The group received leadership training in a third country as part of the overall training curriculum. As a result, the group will participate directly and support other local beneficiaries in this area. Currently, the group is outlining future activities and objectives with a new grantee that possesses greater expertise in this field.
- [SJO046]: This activity is in the process of closing. Three new ideas are under development as a result of this trip.
- [SJO055]: SJO055 brought together three groups to solidify and strengthen the network established. The meeting produced mixed results. Three new activities are underway that involve elements of the different groups. However, there is still much work to be done in terms of collaboration mechanisms. Additionally, a security incident affecting one of the groups occurred after the related activity has hampered potential collective group actions.
- [SJO057]: Travelers returned safely and were able to establish contacts in the targeted sectors. A full debriefing and report is expected the first week in July.
- **Grant Cluster 1.2-** *The different population sectors encompassed in this cluster have advanced along the 1-9 methodology at different rates depending on their starting point. While some sectors are engaging actors, others have already begun implementing small victories with great success. Additionally, some activities have reported an increase in their number of beneficiaries or replication of trainings to new groups. This cluster has also begun to see a modest impact in local beneficiaries' behavior moving from apathetic to successfully negotiating with the local authorities, spaces to address legitimate community concerns. Activities within this cluster have provided valuable lessons to enhance the CCSSP's implementation strategy.*
  - [SJO028]: The activities under this grant have finalized and the grant is in the close out process. The grantee and staff are evaluating next steps for this initiative.
  - [SJO034]: A civic organization expert traveled in June to work on strengthening the three groups assisted under this grant. The objective for this trip is to focus group activities to those that seek socio-political impact, increased their independence and autonomy. A full report is expected upon the consultant's return.
  - [SJO032 and SJO033]: Staff and grantee traveled to a third country to iron out details for the next phase of this initiative. The two grants are finalizing documentation to complete the process and close out. A new activity that enhances the community impact component of the initiative is underway.
  - [SJO047]: Due to extenuating circumstances the consultant was not able to travel. Staff and grantee are determining the best way to continue assisting the local group and whether the activity is still viable.
  - [SJO052]: The consultants returned from the island where they established contacts and began first steps to creating citizen platforms in the target sector. A full debriefing and report is expected next month. Staff will determine next steps upon evaluating the results of the trip and the consultants' proposal.
- **Grant Cluster 2.1-** *Through the four grants under this cluster, the CCSSP has identified the needs and developed targeted methodologies for this particular population sector. A total of four groups will be created in different provinces and their coordinators have been trained in leadership and community work. Program and grantee staffs continue to devise new creative ways to engage these beneficiaries.*



- [SJO022]: Travel to the island was delayed and the grantee continues the search for a qualified traveler. Upon completion of the trips, staff will evaluate the results obtained and determine viability of continuation.
- **Grant Cluster 2.2-** *The greatest accomplishments for this cluster are the new population sectors the CCSSP has been able to target through the different initiatives. A total of 15 grants have allowed the CCSSP to reach out to previously untouched population sectors and engage them successfully in common projects. These are also some of the most challenging initiatives because of the lack of civic experience of the beneficiaries. New partners, a total of 17 grantee staff members, were trained and equipped to more swiftly implement projects in unique strategic areas.*
  - [SJO038]: All six travelers arrived and commenced surveying. Upon the travelers' return and subsequent report, OTI/CREA will participate in the analysis of the information and determine the final product's content. A final draft with survey results and research is expected upon completion of the activity.
  - [SJO044]: A full debriefing was held and results of the travel were analyzed. The consultants were targeting two particular groups. Due to security concerns, a key consultant was not able to travel and transfer their trust relationship with a local beneficiary group to the new team. This hindered the relationship the team was able to establish with that particular group. The other target group was engaged and willing to carry out activities. For this reason, the next stage for this initiative will focus on assisting this second group.
  - [SJO050]: The second technical trip with a team of four consultants is scheduled for July. They will travel to four locations and upon their return they will present their findings and detailed plan with the activities that will follow in phase two of the initiative.
  - [SJO054]: Travelers returned mid June and preliminary results indicate they were able to successfully engage the target group and provide organizational training through workshops and activities. As a result, a working relationship was established with the local beneficiaries that allow them to take on more formal activities. A full debriefing is scheduled for July where staff and grantee will determine next steps.
  - [SJO056]: Consultant traveled in June and sought to create discussion groups among individuals with common interests. A second consultant was scheduled to travel in order to reach all three target groups but the trip was cancelled due to new travel restrictions. A full debriefing is scheduled for July where staff and grantee will determine next steps to involve all the groups in community activities.
- **Grant Cluster 3.1-** *In previous activities under this initiative, a team was formed and a first product was created. The CCSSP will evaluate the development of a second product and seek to replicate the civic intervention with other groups.*
  - [SJO007]: Staff is determining the best course of action for this initiative after closing. Grantee work volume has delayed the design and start up of the new activity but it is expected in the following months.
  - [SJO046]: A new group was identified as a result of the grant that has great potential to replicate alternative media activities in a different province. The new idea is underway and expected in July.
- **Grant Cluster 3.2-** *With three grants so far and significant resources allocated, this cluster has exponentially exceeded expectations, demonstrated a true desire for freedom of expression and a felt need for increased networking capacity within the island. The implementation team now faces the challenge of how to channel this success and make the most of this wide ranging initiative.*

- [SJO040]: Activities continue to exceed expectations and new themes have been developed successfully. A new grant is expected upon completion of SJO040. Final negotiations with a new grantee are underway.
- **Grant Cluster 3.3-** *This innovative cluster seeks to fight apathy and increase the motivation of citizens by promoting media products that help communicate different aspects of everyday life and demystify issues through satire and humor.*
  - [SJO053]: The first edition was finalized with great success and promotion and distribution activities are underway. Comments for improving the product were provided to the grantee and the second edition is expected with the improvements.
- **Grant Cluster 4.2-** *This incipient cluster seeks to fill the need for greater field information to better hone the CCSSP interventions and strategies. Despite delays, implementation tasks continue forward.*
  - [SJO043]: Due to continued delays because of difficulties faced trying to identify candidates that meet all the criteria for the activity, CCSSP staff are evaluating cancelling this grant.
- **Field Officer Grants**
  - [SJO037]: Consultant returned with potentially three groups in two provinces. Details of how to engage these actors and their subsequent grants are under development.
- **M&E Grant**
  - [SJO048]: Recent security concerns have narrowed the number of initiatives to be evaluated during an M&E field visit. Methodology for the trip and logistical coordination are underway. Travel is expected the first week of August.

### Program Operations

- Grants cleared to date: 57 (24 in process, 4 completed, 22 closed, 2 cancelled, 5 rejected after clearance)

| Status Count |         |           |        |                               |
|--------------|---------|-----------|--------|-------------------------------|
| Pending      | Cleared | Completed | Closed | Cancelled / Rejected          |
| 3            | 24      | 4         | 22     | 2 / 9*<br>*5 had been cleared |

| CLEARED |        |               |
|---------|--------|---------------|
| 1       | SJO022 | \$ 93,180.00  |
| 2       | SJO025 | \$ 91,620.00  |
| 3       | SJO028 | \$ 85,092.00  |
| 4       | SJO029 | \$ 96,257.00  |
| 5       | SJO032 | \$ 111,579.00 |
| 6       | SJO033 | \$ 77,484.00  |
| 7       | SJO034 | \$ 105,047.00 |
| 8       | SJO038 | \$ 134,666.00 |
| 9       | SJO039 | \$ 65,797.00  |
| 10      | SJO040 | \$ 134,710.00 |
| 11      | SJO043 | \$ 85,503.00  |
| 12      | SJO044 | \$ 87,182.00  |
| 13      | SJO046 | \$ 42,527.00  |
| 14      | SJO047 | \$ 43,948.00  |
| 15      | SJO048 | \$ 25,985.00  |
| 16      | SJO049 | \$ 89,708.00  |
| 17      | SJO050 | \$ 128,906.00 |

| CLEARED   |        |                |
|-----------|--------|----------------|
| 18        | SJO052 | \$ 56,841.00   |
| 19        | SJO053 | \$ 29,076.00   |
| 20        | SJO054 | \$ 34,726.00   |
| 21        | SJO055 | \$ 49,290.00   |
| 22        | SJO056 | \$ 81,935.00   |
| 23        | SJO057 | \$ 7,931.00    |
| 24        | SJO058 | \$ 200,000.00  |
| Subtotal: |        | \$1,958,990.00 |

| COMPLETED |        |              |
|-----------|--------|--------------|
| 1         | SJO024 | \$ 18,220.00 |
| 2         | SJO035 | \$ 18,801.00 |
| 3         | SJO037 | \$ 53,918.00 |
| 4         | SJO042 | \$ 23,335.00 |
| Subtotal: |        | \$114,274.00 |

| CLOSED |        |               |
|--------|--------|---------------|
| 1      | SJO001 | \$ 95,420.00  |
| 2      | SJO003 | \$ 17,157.00  |
| 3      | SJO006 | \$ 81,421.00  |
| 4      | SJO007 | \$ 123,098.00 |
| 5      | SJO008 | \$ 34,332.00  |
| 6      | SJO009 | \$ 24,256.00  |
| 7      | SJO010 | \$ 30,434.00  |
| 8      | SJO011 | \$ 19,551.00  |
| 9      | SJO012 | \$ 14,204.00  |
| 10     | SJO014 | \$ 47,453.00  |
| 11     | SJO015 | \$ 7,308.00   |
| 12     | SJO016 | \$ 72,709.00  |
| 13     | SJO017 | \$ 2,345.00   |
| 14     | SJO018 | \$ 12,759.00  |
| 15     | SJO019 | \$ 89,534.00  |
| 16     | SJO020 | \$ 11,430.00  |
| 17     | SJO026 | \$ 4,655.00   |



| CLOSED    |        |              |
|-----------|--------|--------------|
| 18        | SJO027 | \$ 4,743.00  |
| 19        | SJO030 | \$ 17,830.00 |
| 20        | SJO031 | \$ 5,844.00  |
| 21        | SJO036 | \$ 14,525.00 |
| 22        | SJO041 | \$ 4,947.00  |
| Subtotal: |        | \$735,955.00 |

| PENDING   |           |              |
|-----------|-----------|--------------|
| 1         | iLSSJO012 | \$ 23,412.00 |
| 2         | iLSSJO04  | \$ 43,249.00 |
| 3         | imISJO001 | \$ 99,579.00 |
| Subtotal: |           | \$166,240.00 |

| CANCELLED |        |              |
|-----------|--------|--------------|
| 1         | SJO013 | \$ 9,857.00  |
| 2         | SJO045 | \$ 69,156.00 |
| Subtotal: |        | \$79,013.00  |

| REJECTED |         |                          |
|----------|---------|--------------------------|
| 1        | iSJO001 |                          |
| 2        | iSJO010 |                          |
| 3        | iSJO011 |                          |
| 4        | SJO002  | Rejected after clearance |
| 5        | SJO004  |                          |
| 6        | SJO005  |                          |
| 7        | SJO021  |                          |
| 8        | SJO023  |                          |
| 9        | SJO051  |                          |

### Administration and Operations

- Activity Database (ADa): New staff training on the ADa and e-Rooms continues. Database management continues successfully.
- Procurement: Reduced volume guidelines continue to cause delays in delivery. Research continues to identify logistical delivery solutions, as well as new technologies that could be used in activities.
- Human Resources: A new Program Development Officer and Program Assistant began this month. Recruitment for an additional Program Development Officer and Finance Assistant continues.

### Security

- The PSM has conducted several briefings and continues to prepare soon-to-depart travelers to minimize risks and ensure traveler safety.
- Research and training in case scenarios is underway in preparation for a security meeting to be held in headquarters in July.

## 3. Budget Information

| CLIN | Description          | Total                | Obligated           | Disbursed March 2010 | Cumulative Amount Disbursed |
|------|----------------------|----------------------|---------------------|----------------------|-----------------------------|
| 001  | Operations           | \$ 4,877,599         |                     | \$ 130,370.05        | \$ 2,542,710.96             |
| 002  | Fixed Fee Operations | \$ 244,380           |                     | \$ 6,518.50          | \$ 127,135.56               |
| 003  | Grants               | \$ 10,200,000        |                     | \$ 108,317.01        | \$ 1,283,975.56             |
| 004  | Fixed Fee on Grants  | \$ 204,000           |                     | \$ 2,166.34          | \$ 25,679.50                |
|      | <b>TOTAL</b>         | <b>\$ 15,535,979</b> | <b>\$ 7,170,671</b> | <b>\$ 247,371.90</b> | <b>\$ 3,979,501.58</b>      |

## 4. Problems Encountered: Issues and Proposed Actions

- Security and liability concerns related to travel to Cuba have delayed implementation for SJO022, SJO047 and SJO056. Staff is working with our NGO partners to work out adjustments where feasible.

## 5. Upcoming Activities

- CREA/Costa Rica has the following activities planned for July 2010:
  - Continue to identify NGOs for grant ideas that are in the works
  - Meeting of consultants in a third country for SJO029, 034, 037, 038, 048, 050, 054
  - Evaluate and confirm travel plans to the island for: SJO048 y 050
  - Meeting with SJO028 and SJO057 consultants in Costa Rica
  - Finish close out process for finalized and completed grants
  - Prepare for the Program Performance Review tentatively scheduled for August 2010
- Creative staff will participate in a grantee coordination meeting the first week of July.